5th ISCC Global Sustainability Conference

Five years of ISCC Certification – Impacts and Ways Forward

Brussels, 4 February 2015

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Content

5 years of ISCC certification - What has been achieved so far?

What is the impact of sustainability certification on the ground?

What are the learnings to further improve the performance of sustainability certification?
After a development process taking four years, the basis of current operations was established with the foundation of the ISCC association.
In 2010, the ISCC association was founded by 20 companies and individuals.
Today, the ISCC association has 77 members.
The first ISCC certificate was issued for the ethanol plant of Alco Biofuel in Gent (Belgium) on 30 April 2010
Around 7,700 ISCC certificates have been issued since 2010. The number has increased by 71% in the last twelve months.

* Numbers as of January 20, 2015
Mandatory requirements in the biofuels sector have been the starting point, supporting voluntary sustainability certification in conventional markets

<table>
<thead>
<tr>
<th>Sector</th>
<th>Requirements</th>
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| Energy | • Mandatory sustainability requirements in the EU biofuels markets  
• Sustainability requirements for solid biomass (e.g. for wood pellets) under discussion |
| Food   | • Procurement guidelines and zero net deforestation for 2020 by Consumer Goods Forum  
• Sustainable Agriculture Initiative (SAI)  
• Company specific programs (e.g. Unilever McDonalds) |
| Feed   | • European Feed Association (FEFAC) committed to responsibly produced soy  
• Initiatives to foster regional supplies |
| Chemicals | • German Government supported multistakeholder initiative (INRO) to define sustainability requirement for biobased chemicals  
• Several companies using biomass already certified (e.g. SABIC, Braskem, NatureWorks, Neste, Elopak) |
Almost 150 ISCC PLUS certificates have been issued since 2012. The development in the past twelve months was very positive.

* Numbers as of January 20, 2015.
85% of all certificates are issued in the ISCC EU system. The DE system is loosing market relevance, ISCC PLUS is gaining importance.

* Shares of valid certificates as of January 21, 2015
**Certificates exclusively or partly dealing with waste&residues
The European Union remains the most important market for ISCC. Spain, Czech Republic and United Kingdom are leading in the use of ISCC

* Numbers as of January 21, 2015

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ISCC cooperates with 31 certification bodies. More than 600 auditors have participated in ISCC trainings

Certification bodies using the ISCC scheme

- AbCert
- DNV-GL
- AGUTcert
- DEKRA
- CertRom
- Intertek
- global creative energy
- kiwa
- CERT-ID
- DQS
- ICIM
- Baltic Control
- cape.international
- COTECNA
- EuroCert
- RINA
- SCSglobal Services
- TÜV
- TÜV NORD
- bsi.
- Bureau Veritas
- China Quality Certification Centre
- agroVet Certification
- TÜV Thüringen
- SGS

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ISCC ISCC Technical Committees are well established and facilitate the regional stakeholder dialogue

TC North America
Last meeting: 08/07/14 in Chicago
Working groups:
- National adaptations
- ISCC PLUS

TC Europe
Last meeting: 04/11/14 in Berlin
Working groups:
- National adaptations

TC South East Asia
Last meeting: 23/04/14 in Bangkok
Working groups:
- Land use
- Waste and residues
- Smallholders

TC Wood
Last meeting: 2013
Issues:
- Sustainability certification solid biomass

TC Latin America
Last meeting: 10/09/14 in Porto Alegre, Brazil
Working groups:
- National and biomass specific adaptations
- Biodiverse grassland
- ISCC PLUS

as of January 20, 2015
Major activities of ISCC focusing on performing good operations, customer satisfaction and developing new modules

• Development of add-ons “Non-GMO” and Environmental Management and Biodiversity for ISCC PLUS

• New procedures and revised system documents for ISCC PLUS

• Revision of Sustainability Requirements for the Production of Biomass; coverage of social issues and food security

• Development of guidelines for the certification of wood based biofuels

• Development of excel tool for audits on farms and plantations

• Further development of certification process for waste and residues under ISCC EU, including compilation of material list for ISCC EU certification

• Continuous Support of system users, review and upload of around 3,000 ISCC certificates

• Several meetings with authorities and regular mailings of ISCC System Updates

• 11 ISCC Trainings (4 Basic, 4 Greenhouse Gas, 1 Planation Audit and Land Use Assessment, 1 ISCC PLUS, 1 Waste and Residues)

• 9 ISCC events (Technical Committees, Experience Exchange with CBs, Workshops)

• Participation in several conferences, working groups (e.g. INRO, GreenDeal)
In the ISCC PLUS system, clear claims in the B2B market and to end consumers must be made. ISCC is working on a respective guideline.

Different types of claims:

1. Claims for drop-in sustainable bio based materials where the final product today has a very low bio-content or the physical bio-content sometimes might even be zero

   **Example of possible ISCC claim:**

2. Claims for products with a higher physical content of sustainable bio based material

   ➔ These claims differ (second claim can be stronger) but both claims must be certifiable and are necessary to promote bio based products and the bio based economy

   ➔ The topics of “traceability/ chain of custody”, “types of possible claims” and “options for incentivisation” must be discussed separately from each other
Assessment of social criteria is in practice often difficult. ISCC has started a cooperation with Welthungerhilfe and ZEF* on food security

Areas of cooperation

- Development of requirements and criteria to cover food security in sustainability certification
- Support integration of social sustainability information in the certification process
- Pilot certifications addressing social issues, in particular food security

*: Center of Development Research, University of Bonn
ISCC and BirdLife – approach to improve biodiversity on farm level

1. Setting the standard: bringing together the different issues connected with farming and biodiversity
2. Field work
3. Questionnaire for farmers
4. Evaluation and economic analyses
5. Dissemination of the results
ISCC and The Nature Conservancy – classification of “biodiversity” areas in Brasil
The ISCC integrity program is an important pillar of our quality assurance policy. In 2014, 27 ISCC Integrity Assessment have been carried out.

ISCC Integrity Program

- Selection on random and risk basis
- Useful tool to react on sound allegations
- Further increase of number of integrity audits planned
- Feedback to companies and CBs
- Learnings for further improvement of ISCC operations
What is the impact of sustainability certification on the ground? To assess this, ISCC has started a monitoring and evaluation program

**Objectives**
- Systematic assessment of outcomes and short and long term impacts of ISCC certification
- Provide concrete indications for improvements in the system

**Work carried out**
- Analysis of audit reports of 164 first gathering points (27% of ISCC certified FGP) with 6,317 farms (certified between August 2013 and August 2014)
- Sample of 762 audit reports of farmers from 38 countries analysed
- Analysis of actual GHG data in audit reports

**Results**
- 4,000+ non-conformities have been detected on farms worldwide
- 1,760 of those non-conformities have been corrected

**Continuous improvement**
- Update procedures started
- Feedback to certification bodies
- Improvement of internal processes
The impact assessment has shown that most non-conformities are found in principle 2 „Environmental responsibility production“

- Principle 2 „Environmental responsibility production“ 43%
- Principle 3 „Health and safety of workers“ 29%
- Principle 4 „Social responsible production“ 26%
- Principles 1, 5 and 6 <2%

**Principle 1:**
“Land use change related sustainability criteria"

**Principle 5:**
“Compliance with regional and national law”

**Principle 6:**
“Good management practice”
## Top 15 of ISCC requirements that were found non-compliant on farm level

<table>
<thead>
<tr>
<th>No.</th>
<th>Requirements</th>
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<tbody>
<tr>
<td>1</td>
<td>There is a farm waste management plan. Waste recycling avoids or reduces wastage and avoids the use of landfill or burning</td>
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<tr>
<td>2</td>
<td>There are procedures dealing with re-entry times on the farm</td>
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<tr>
<td>3</td>
<td>All the plant protection product applications have been recorded (where, when, what, how much, why, who)</td>
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<tr>
<td>4</td>
<td>There are facilities to deal with accidental operator contamination</td>
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<tr>
<td>5</td>
<td>There is a complaint form and/or procedure available on the farm, where employees and affected communities can make a complaint</td>
</tr>
<tr>
<td>6</td>
<td>Complete records of all fertilizer applications are available (where, what, how much, date)</td>
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<tr>
<td>7</td>
<td>The accident procedure is evident within ten meters of the plant protection product/chemical storage facilities</td>
</tr>
<tr>
<td>8</td>
<td>All impacts for surrounding areas, communities, users and land owners taken into account and sufficiently compensated for</td>
</tr>
<tr>
<td>9</td>
<td>Soil organic matter is preserved</td>
</tr>
<tr>
<td>10</td>
<td>There is at least one worker or a workers’ council elected freely and democratically who represent the interests of the staff to the management</td>
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<tr>
<td>11</td>
<td>Mediation is available in case of a social conflict</td>
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<tr>
<td>12</td>
<td>Fertiliser is used according to an input/output balance</td>
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<tr>
<td>13</td>
<td>Potential hazards are clearly identified by warning signs and placed where appropriate</td>
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<tr>
<td>14</td>
<td>Documentation of water management plan aimed at sustainable water use and prevention of water pollution. Annual documentation of applied good agricultural practices with respect to: efficient water usage, responsible uses of agro-chemicals, waste discharge must be available</td>
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<tr>
<td>15</td>
<td>First Aid kits are present at all permanent sites and in the vicinity of fieldwork</td>
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ISCC helps to improve agricultural practices – Example Fazenda Xanxere, Bahia, Brazil

The program helped us to improve our process.

A mindset change on farm level had to be achieved.

The ISCC certification has a direct impact on the farms.

We made all the necessary changes.

Our area also comprises 1.001 ha of protected land.
Setting up sustainable supply chains and improving energy efficiency, thus reducing GHG emissions – Example Alco Bio Fuel, Belgium
Reducing GHG emissions and using food waste for biofuels production – Example Lantmännern Agroetanol, Sweden
Zero discharge system and organic compost production results in significant GHG emission reduction – Example Genting, Malaysia
Addressing market needs with ISCC PLUS in the food industry for sustainable products – Example Thywissen, Germany
Within the ISCC system, biodiverse and carbon rich areas are protected, and land use change after January 2008 is not allowed.
Has there been a land-use change after January 2008? And if yes, is it in conflict with the sustainability requirements set? Often difficult to assess.
There is a strong need to assess and monitor land use and land use change with respect to sustainability requirements

• Expansion of agricultural land

• High interest by all stakeholders in land related sustainability issues, e.g.
  • Protection of biodiversity
  • Protection of areas with high carbon stocks
  • Monitoring and assessing land use change
  • Guaranteeing high social and labor standards

• But lack of consistent, reliable and easy to use information for auditors, procurement managers, risk managers investors, plantation companies, authorities etc.
ISCC is supporting the development of a one stop solution to offer relevant information for sustainability certification – available for all systems.
The new tool facilitates risk assessments and land use change verification. Sustainability certification should become more efficient and effective.
Example: Support of audit of a first Gathering Point and farm in Argentina
GRAS shows all biodiversity databases and their underlying information at a glance
The pattern of the EVI time series is significant for different land use types (I) – Example grassland
The pattern of the EVI time series is significant for different land use types (II) – Example arable land

Typical for arable land
The pattern of the EVI time series is significant for different land use types (III) – Land use change becomes visible for exact dates in the past.